

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 872 - HB 1125**

February 24, 2011

**SUMMARY OF BILL:** Deletes Tenn. Code Ann. § 53-10-210 which requires notification to the patient, family member, or other identified person and the prescriber prior to an anti-epileptic drug being dispensed if the pharmacist is interchanging one manufacturer of the drug to another manufacturer, including a generic equivalent for a brand drug.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures – \$120,900**

**Decrease Federal Expenditures - \$237,100**

**Assumptions:**

- Pursuant to Public Chapter 370 of 2007, pharmacists are required to identify the patient or other identified individual and the prescriber of the drug prior to interchanging an anti-epileptic drug.
- Since the passage of the law, the TennCare program has experienced a 29.4 percent increase in the use of anti-convulsant drugs used for an epilepsy diagnosis in the multi-source brand (MSB) class instead of the available generic. Without the required prior notification of an interchange, there will be an increased usage of generics at a lower cost per drug.
- TennCare's average annual increase in MSB anti-convulsants since 2007 is 2,652 drugs. The brand drugs cost approximately \$135 more than the generic equivalent. The estimated annual decrease in expenditures is \$358,020 (2,652 drugs x \$135).
- Of the \$358,020, the decrease in state expenditures will be \$120,893 at a rate of 33.767 percent and the decrease in federal expenditures will be \$237,127 at a match rate of 66.233 percent.
- The proposed change will not result in a significant change to the current regulatory or investigative procedures of the Board of Pharmacy.

- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. As of June 30, 2010, the Board had a balance of \$276,649.24.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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